

## LABOR RELATIONS COMMITTEE

### MINUTES

The Labor Relations Committee met on Wednesday, August 24, 2016 at 4:45 p.m. in Conference Room No. 1 at the Willmar City Office Building.

Present: Shawn Mueske ..... Acting Chair  
Denis Anderson ..... Member  
Rick Fagerlie ..... Member  
Ron Christianson ..... Member

Others present: City Administrator Larry Kruse, Finance Director Steve Okins, and Janell Sommers, Administrative Assistant.

#### Item No. 1      Call to Order

The meeting was called to order by Council Member Anderson at 4:47 p.m. Acting Chair Shawn Mueske arrived at 5:00 p.m.

#### Item No. 2      Public Comment

There were no public comments.

#### Item No. 3      Health Insurance Update (Motion)

City Administrator Larry Kruse presented the recent information received from the SWWC Service Cooperative relating to the City's health insurance rates and the options available for the addition of a VEBA/HSA plan for employees. Administrator Kruse informed the Committee that the City fared well with an increase in health insurance premiums of 2.5% for 2017. He reviewed the current health insurance plans and how many family and single policies were in each.

City Administrator Kruse has been working with Gene Thule of the SWWC on a VEBA/HSA plans for the City implementation. It is proposed the City add a VEBA/HSA plan as fourth Health Insurance plan. The Committee discussed three funding variants of a plan with deductibles similar to the Willmar Municipal Utilities (\$2,600 single/\$5,200 family). The plan gaining most support has an employer paid VEBA/HSA contribution for single plans of \$2,600 and family of \$5,200, with a second option for the family to pay a single premium and obtain family coverage without the City making any VEBA or HSA contribution. With this plan, employees can also contribute additional funds towards their HSA account.

Option #1		City of Willmar 2017 VEBA/HSA					
Family Unit	Premium	Annual Premium	Employee Paid	Employer Paid	VEBA/HSA Contribution	City Annual Costs	Monthly (2017)
Single \$2,600	\$ 505.50	\$ 6,066.00	\$ -	\$ 6,066.00	\$ 2,600.00	\$ 8,666.00	\$ 722.17
Family \$5,200	\$ 1,410.00	\$ 16,920.00	\$ 6,066.00	\$ 10,854.00	\$ 5,200.00	\$ 16,054.00	\$ 1,337.83
Family \$5,200	\$ 1,410.00	\$ 16,920.00	\$ 70.50	\$ 16,849.50	\$ -	\$ 16,849.50	\$ 1,404.13

Discussion was held pertaining to how best to educate employees on the new plan and which option was the best fit for the family contribution. The Council Member Anderson made a motion to recommend the City in 2017 offer a \$2,600/5,200 VEBA/HSA plan (Option 1). Council Member Christianson seconded the motion, which carried.

Item No. 4      City Clerk and Human Resources Director Application Update (Information)

City Administrator Kruse informed the Committee that to date there are not a lot of applications for either position, but he expects more before the closing on August 31<sup>st</sup>.

Item No. 5      Goals (Information)

The Committee briefly discussed the Labor Committee establishing goals. It was the consensus of the Committee that goals be set at a retreat in the near future.

A motion was made, seconded and passed to adjourn. The meeting was adjourned at 5:52 p.m.

Respectfully submitted,

Janell Sommers  
Administrative Assistant